

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

SEP 18 2003

IN THE MATTER OF:

THE REVIEW OF BELL SOUTH)	
TELECOMMUNICATIONS, INC.'S)	CASE NO: 2003-00304
PRICE REGULATION PLAN)	

COMMENTS OF THE OFFICE OF
THE ATTORNEY GENERAL TO
BELL SOUTH'S PROPOSED MODIFICATIONS
TO IT'S PRICE REGULATION PLAN

The Kentucky Office of the Attorney General, by and through Counsel, submits these comments in response to the Commission's August 14, 2003 Order establishing Case No. 2003-00304 .

BellSouth requests, in this three-year review, that it be allowed to eliminate the three-year reference in the tariff. The Office of the Attorney General believes that the elimination of a review is premature. Though competition has improved, it is still not to the level, especially in the residential market, to eliminate any type of review. As can be seen by Complaints filed against BellSouth problems resulting from decisions made through this plan have been encountered. A specific example can be seen with the complaint regarding Contract Service Arrangements that lead to a total separate case being opened to address the issue. Though the Commission monitors the utilities at all times, a specific review may bring issues that may need to be more closely scrutinized to the front. Therefore, the review process should stay in place.

BellSouth proposes to eliminate zone charges. (See Response to Commission's order dated August 25, 2003.) A review of the proposal set forth by BellSouth, does not appear to be eliminating the charges, but transferring the charges from band zone rates

to actual basic exchange rates, specifically residential 1FRs and business 1FBs, the areas where there is the least competition. According to Webster, eliminate means to "remove"; "rid of by banishment or execution"; "to omit consideration". *Webster's II, New Riverside University Dictionary* 425 (1984). A proposal to decrease charges from one pot and increasing charges in another pot is not eliminating charges. It is transferring charges and should not be permitted.

The band zone charge was for a distinctive purpose. Have they lived their life? They were established to help cover charges for building structures so areas outside the urban areas could receive service. It was like building a road and then charging a toll to pay for the road. After so many years, the road becomes paid for and the toll charges stop. The diminished charges over the years recognize the need may no longer be there. Therefore, the necessity of band zones may no longer be appropriate. If this is the case, then they should be eliminated, not added to a different rate.

The Commission recognized the reduction in band zone charges over the years in 2002-00421. At that time BellSouth stated it would look into "further reduc[ing] or eliminat[ing] the charges. This proposal does reduce the charges. The problem is it does not stop there, but takes it a step further to add them back into another rate.

The Office of the Attorney General respectfully submits that taking from the band zone charges and adding the charges to basic rates of the 1FR and 1FB does not eliminate or reduce the charges. If over the years, the band zone charges have covered what they were designed to cover then they should be actually eliminated. If the charges have diminished but are still there then they should continue to be reduced.

Therefore, the Office of the Attorney General respectfully requests that the proposal of BellSouth be denied.

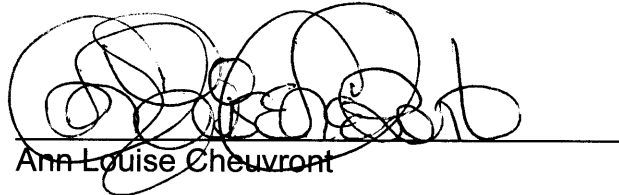
Respectfully submitted,



ANN LOUISE CHEUVRONT
Assistant Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40601
502-696-5300

CERTIFICATION

I hereby certify that a true copy of the foregoing Motion was served on the individuals on the attached Service List by mailing a copy thereof, this 13th day of October, 2003.


Ann Louise Cheuvront

HON. DOROTHY J. CHAMBERS
PO BOX 32410
LOUISVILLE KY 40232

MR. GENE COKER
AT&T COMMUNICATIONS
1200 PEACHTREE STREET, NE
SUITE 8100
ATLANTA GA 30309

HON. C. KENT HATFIELD
MIDDLETON & REUTLINGER
2500 BROWN & WILLIAMSON TOWER
LOUISVILLE KY 40202

HON. SUSAN BERLIN

MCI ELECOMMUNICATIONS CORP.
6 CONCOURSE PARKWAY
SUITE 3200
ATLANTA GA 30328

HON. WILLIAM ATKINSON
SPRINT COMMUNICATIONS CO.
3055 CUMBERLAND BLVD.
MAILTOP GAATLD0602
ATLANTA GA 30339

HON JOHN N HUGHES
124 WEST TODD STREET
FRANKFORT KY 40601

CAROL P KIHNOW
QWEST SERVICES CORP
4250 NORTH FAIRFAX DRIVE
FIFTH FLOOR
ARLINGTON VA 22203

MARK ROMITO
CINCINNATI BELL TELEPHONE CO
PO BOX 2301
CINCINNATI OH 45201

AMY HATZLER
ICG TELECOM GROUP INC
PO BOX 6742
ENGLEWOOD CO 80112

LARRY BARNES
IXC COMMUNICATIONS SVCS
1122 CAPITAL OF TEXAS HWY S
AUSTIN TX 78746

WALTER P DRABINSKI
VANTAGE CONSULTING INC
22814 OVERSEAS HWY
CUDJOE KEY FL 33042

STEPHEN R BYARS
ALLTEL KENTUCKY INC
PO BOX 1650
LEXINGTON KY 40588

JONATHAN N AMLUNG
1000 REPUBLIC BUILDING
429 W MUHAMAD ALI BLVD
LOUISVILLE KY 40202

HON RICHARD M BREEN
2950 BRECKENRIDGE LANE SUITE 3
LOUISVILLE KY 40220